

FINAL BILL REPORT

SB 5119

C 109 L 15
Synopsis as Enacted

Brief Description: Providing authority for two or more nonprofit corporations to participate in a joint self-insurance program covering property or liability risks.

Sponsors: Senators Angel and Mullet.

Senate Committee on Financial Institutions & Insurance
House Committee on Business & Financial Services
House Committee on General Government & Information Technology

Background: Local government entities have the authority to individually or jointly self-insure against risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. In addition, subject to specified conditions, local government entities may enter into joint self-insurance programs with similar entities from other states.

In 2004 the Legislature authorized nonprofit corporations to form self-insurance risk pools with other nonprofit corporations or local government entities for property or liability risks. Nonprofit corporations that form self-insurance risk pools are subject to the same restrictions and regulations as are local government entities that form self-insurance risk pools, except that nonprofit corporations are not authorized to enter into joint self-insurance programs with nonprofit corporations from other states.

The Risk Manager within the Department of Enterprise Services is responsible for the regulation of these self-insurance activities and may adopt rules governing their operations.

Summary: The authority for nonprofit corporations to join a self-insurance program with other nonprofit corporations is removed from chapter 48.62 RCW and placed in its own chapter to clarify that nonprofit corporations and local governments are separate and cannot commingle for the purposes of creating insurance risk pools.

Nonprofit corporations are authorized to enter into joint self-insurance programs with similar entities from other states, subject to specified conditions.

Votes on Final Passage:

Senate 48 0

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

House 97 0

Effective: July 24, 2015